

Clarification of Governance Requirements for Pilot Accountable Entities

Final, February 6, 2016

The following governance requirement is specified on page 14 of the Accountable Entity Coordinated Care Pilot Program Description and Application, dated October 30th, 2015 and posted as follows <http://www.eohhs.ri.gov/Portals/0/Uploads/Documents/AE%20Pilot%20Application.pdf>

*“Applicant **must be a distinct corporate entity** with defined responsibility for ensuring that the performance requirements of its Pilot eligibility and of its contract with an MCO are fully met....”*

That sentence is replaced with the following:

*“Applicant **must maintain an identifiable governing body** with defined responsibility for ensuring that the performance requirements of its Pilot eligibility and of its contract with an MCO are fully met.”*

This requirement is further clarified as follows:

“In cases where the AE comprises multiple, otherwise independent AE participants, the governing body must be separate and unique to the AE. If the AE is an existing entity that is financially and clinically integrated, then the AE governing body may be the same as the governing body of that existing entity, provided it satisfies the other governance requirements outlined in the Accountable Entity Coordinated Care Pilot Program Description and Application or other guidance published by EOHHS. For the purpose of determining if this requirement is met, a “participant” shall mean any organization that either (1) serves as a basis for attributed lives for the AE, or (2) is eligible to receive shared savings distributions based on the distribution rules of the AE or participate in alternative financial incentive programs as agreed to by the AE and its participants. A participant does not need to have lives attributed to the AE to be considered a participant.”

Explanation and Intent

Applicants should note that this clarification is consistent with the exceptions to the separate legal entity requirement for the MSSP/Pioneer program outlined at 42 C.F.R. 425.104(c). Also note that the intent of these governance requirements is twofold:

- First, to promote and support the development of a new type of entity equipped with the necessary characteristics and capabilities to achieve meaningful improvements in our systems of care, rather than simply establishing a new line of business for an existing provider entity.
- Second, EOHHS intends that critical community participants are included in the leadership team of the AE and that such participants have the ability to influence or direct clinical practice to improve outcomes.

EOHHS anticipates that final full certification standards shall include additional standards regarding the specific characteristics and capabilities required for certified accountable entities, and that these full AE capabilities and characteristics are unlikely to be achieved through a single existing provider entity.